

Policy Innovation, LLC

Strategic Advice for Policy Participants

www.policyinnovation.com

info@policyinnovation.com

350 Park Avenue

15th Floor

New York, NY 10022

(212) 872-9861

7 Elk Street

2nd Floor

Albany, NY 12207

(518) 449-2596

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Trends in State and Local Government
Employment, 1994-2001:

New York and a Group of Similar States

presented at the

NYSNER Research-in-Progress Conference

The Rockefeller Institute

December 4, 2002

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The Questions

- Do state and local governments in New York State employ more people than similar states
- How have state and local government employment levels changed during Governor Pataki's tenure
- How does the functional composition of state and local government employment in New York State compare to similar states

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Methodology

- Creates stylized facts to compare state and local government employment levels in New York State with levels in eight similar states and the average of all states
- States chosen based on population and location in the northeast

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Literature

- Employment levels explained by rent-seeking
- Government employment a social insurance mechanism

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Data

- Census of Governments, 1994-2001 period
- State *and* local because of differences in service delivery responsibility across states
- Full-time equivalent (FTE) employment
- Control for differences in size by standardizing (state and local government FTE/10,000 population)

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Main Findings

- New York State employed significantly more people than the national, regional or large state average in 1994 and 2001
- Employment in New York State grew slower than the population over this period

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Main Findings (cont.)

- New York State FTE/10,000 population decreased while local FTE/10,000 remained largely the same over this period
- New York State and its local governments employed significantly more police officers and hospital workers than other states

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Next Steps

- Extend to all fifty states and DC
- Build econometric model that controls for changes in service delivery to test rent-seeking hypothesis
- Monitor changes in current situation to see if state and local government retains its resiliency

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